



Testimony of  
**Ed Hawthorne, President**  
**Connecticut AFL-CIO**

Human Services & Aging Committees  
February 16, 2023

***SB 989 An Act Concerning Nursing Homes***

Good afternoon, Senators Lesser and Hochadel, Representatives Gilchrest and Garibay and members of the Human Services and Aging Committees. My name is Ed Hawthorne, and I am proud to serve as the President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing almost 250,000 active and retired workers in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great. It is on their behalf that I submit testimony in support of SB 989 An Act Concerning Nursing Homes.

The state has a moral obligation to ensure that residents living in Connecticut's nursing homes receive the highest quality of care. SB 989 helps the state meet that obligation by strengthening staffing standards, providing adequate enforcement of existing standards, and increasing transparency in the nursing home system.

SB 989 would improve nursing home staffing by increasing the minimum number of hours of care required per resident from 3.0 hours to 4.1 hours per day, which has been the level of care recommended by the Center of Medicare Services since 2001. It would also establish penalties for non-compliant nursing homes. The Department of Public Health would be able to levy a \$10,000 fine and charge nursing homes with a Class B violation. Safe staffing levels are important for protecting the quality of patient care and workplace safety. They also reduce staff burnout and turnover in an industry that is desperate to hold on to qualified and competent staff.

With a better understanding of how nursing homes are spending Medicaid dollars, the state will be better equipped to plan for Connecticut's long term care services in the future. That is why SB 989 also focuses on financial transparency. It would require nursing homes to include a written summary in their annual cost reports that detail the percentage of Medicaid funds allocated to each of the five allowable cost components, i.e., direct care, indirect care, administrative and general, property, and capitol related expenses. In addition, it would require nursing home licensure to include the disclosure of audited and certified financial statements for the most recent fiscal year, income statements for the most recent fiscal year of the owner, and a disclosure regarding private equity investment.

Many nursing homes outsource crucial services such as staff, management, and medical supplies to affiliated corporations, known as "related parties," that their owners own, invest in or control.<sup>1</sup> They pay millions to related parties, but the state limits how much of those expenses are disclosed. Taxpayers never know how much money ends up at the bedside and how much ends up in the nursing home owner's pocket. SB 989

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<sup>1</sup> [Nursing home owners drained cash from understaffed facilities, analysis suggests : Shots - Health News : NPR](#)

requires nursing homes to report when they pay a related party for any service for any amount. Current statute only requires disclosure of \$50,000 or more.

Thank you for the opportunity to provide testimony. I urge the Committee support this bill.